

COW CREEK GAS INC.

347 THOMPSON RD

PIKEVILLE KY 41501

PH 606-437-6147

FAX 606-437-6040

Case No. 2008-00121

RECEIVED

MAR 31 2008

**PUBLIC SERVICE
COMMISSION**

March 28, 2008

**Ms. Stephanie Stumbo
Public Service Commission
P. O. Box 615
211 Sower Blvd.
Frankfort, KY 40602**

**RE: Cow Creek Gas, Inc.
GCA Filing**

Ms. Stumbo:

Enclosed is the GCA filing for the portion of the system of Cow Creek Gas, Inc. ("Cow Creek") that was formerly served by Sigma Gas Corporation ("Sigma"). This GCA is filed pursuant to the Sigma tariff adopted by Cow Creek pursuant to the Commission's Order in Case No. 2007-00419. I have enclosed ten copies for filing.

If you have any questions, please contact us at the above number.

Sincerely,


**Jerome A. Kanney
President**

Enclosure

Cow Creek Gas, Inc.

Quarterly Report of Gas Cost
Recovery Rate Calculation

RECEIVED

MAR 31 2008

PUBLIC SERVICE
COMMISSION

Date Filed:

March 28, 2008

Date Rates to be Effective:

May 1, 2008

Reporting Period is Calendar Quarter Ended:

December 31, 2007

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

| <u>Component</u> | <u>Unit</u> | <u>Amount</u> |
|--------------------------------|-------------|---------------|
| Expected Gas Cost (EGC) | \$/Mcf | 12.036 |
| + Refund Adjustment (RA) | \$/Mcf | 0 |
| + Actual Adjustment (AA) | \$/Mcf | 0 |
| + Balance Adjustment (BA) | \$/Mcf | 0 |
| = Gas Cost Recovery Rate (GCR) | | 12.036 |

GCR to be effective for service rendered from May 1, 2008 to August 1, 2008

| <u>A.</u> | <u>EXPECTED GAS COST CALCULATION</u> | <u>Unit</u> | <u>Amount</u> |
|-----------|---|-------------|---------------|
| | Total Expected Gas Cost (Schedule II) | \$ | 447,611.03 |
| ÷ | Sales for the 12 months ended <u>December 31, 2007</u> | Mcf | 37,190 |
| = | Expected Gas Cost (EGC) | \$/Mcf | 12.036 |
| <u>B.</u> | <u>REFUND ADJUSTMENT CALCULATION</u> | <u>Unit</u> | <u>Amount</u> |
| | Supplier Refund Adjustment for Reporting Period (Sch.III) | | |
| + | Previous Quarter Supplier Refund Adjustment | \$/Mcf | 0 |
| + | Second Previous Quarter Supplier Refund Adjustment | \$/Mcf | 0 |
| + | Third Previous Quarter Supplier Refund Adjustment | \$/Mcf | 0 |
| = | Refund Adjustment (RA) | \$/Mcf | 0 |
| <u>C.</u> | <u>ACTUAL ADJUSTMENT CALCULATION</u> | <u>Unit</u> | <u>Amount</u> |
| | Actual Adjustment for the Reporting Period (Schedule IV) | \$/Mcf | 0 |
| + | Previous Quarter Reported Actual Adjustment | \$/Mcf | 0 |
| + | Second Previous Quarter Reported Actual Adjustment | \$/Mcf | 0 |
| + | Third Previous Quarter Reported Actual Adjustment | \$/Mcf | 0 |
| = | Actual Adjustment (AA) | \$/Mcf | 0 |
| <u>D.</u> | <u>BALANCE ADJUSTMENT CALCULATION</u> | <u>Unit</u> | <u>Amount</u> |
| | Balance Adjustment for the Reporting Period (Schedule V) | \$/Mcf | 0 |
| + | Previous Quarter Reported Balance Adjustment | \$/Mcf | 0 |
| + | Second Previous Quarter Reported Balance Adjustment | \$/Mcf | 0 |
| + | Third Previous Quarter Reported Balance Adjustment | \$/Mcf | 0 |
| = | Balance Adjustment (BA) | | 0 |

SCHEDULE II
EXPECTED GAS COST

Actual * MCF Purchases for 12 months ended December 31, 2007

| (1) Supplier | (2) Dth | (3) BTU Conversion Factor | (4) Mcf | (5)** Rate | (6) (4) X (5) Cost |
|-------------------|------------|------------------------------------|------------|---------------|--------------------------|
| Jefferson Gas LLC | 5,646 | 1.0 | 5,646 | 11.434 | 64,556.36 |
| Jefferson Gas LLC | 7,930 | 1.0 | 7,930 | 11.434 | 90,671.62 |
| Jefferson Gas LLC | 5,345 | 1.0 | 5,345 | 11.434 | 61,114.73 |
| Jefferson Gas LLC | 3,063 | 1.0 | 3,063 | 11.434 | 35,022.34 |
| Jefferson Gas LLC | 1,148 | 1.0 | 1,148 | 11.434 | 13,126.23 |
| Jefferson Gas LLC | 1,470 | 1.0 | 1,470 | 11.434 | 16,807.98 |
| Jefferson Gas LLC | 1,151 | 1.0 | 1,151 | 11.434 | 13,160.53 |
| Jefferson Gas LLC | 1,276 | 1.0 | 1,276 | 11.434 | 14,589.78 |
| Jefferson Gas LLC | 1,701 | 1.0 | 1,701 | 11.434 | 19,449.23 |
| Jefferson Gas LLC | 1,405 | 1.0 | 1,405 | 11.434 | 16,064.77 |
| Jefferson Gas LLC | 5,597 | 1.0 | 5,597 | 11.434 | 63,996.10 |
| Jefferson Gas LLC | 5,912 | 1.0 | 5,912 | 11.434 | 67,597.81 |

| | | | | | |
|--------|---------------|--|---------------|--|-------------------|
| Totals | <u>41,644</u> | | <u>41,644</u> | | <u>476,157.48</u> |
|--------|---------------|--|---------------|--|-------------------|

Line loss for 12 months ended December 31, 2007 is 10.7% based on purchases of
41,644 Mcf and sales of 37,190 Mcf.

| | Unit | Amount |
|---|--------|------------|
| Total Expected Cost of Purchases (6) | \$ | 476,157.48 |
| ÷ Mcf Purchases (4) | Mcf | 41,644 |
| = Average Expected Cost Per Mcf Purchased | \$/Mcf | 11.434 |
| x Allowable Mcf Purchases (must not exceed Mcf sales ÷ .95) | Mcf | 39,147.37 |
| = Total Expected Gas Cost (to Schedule IA) | \$ | 447,611.03 |

*Or adjusted pursuant to Gas Cost Adjustment Clause and explained herein.

**Supplier's tariff sheets or notices are attached.

SCHEDULE III
SUPPLIER REFUND ADJUSTMENT

Details for the 3 months ended _____ Not Applicable _____

| <u>Particulars</u> | <u>Unit</u> | <u>Amount</u> |
|--|-------------|---------------|
| Total supplier refunds received | \$ | |
| + Interest | \$ | |
| = Refund Adjustment including interest | \$ | |
| ÷ Sales for 12 months ended | Mcf | |
| = Supplier Refund Adjustment for the Reporting Period (to Schedule IB.) | \$/Mcf | |

SCHEDULE IV

ACTUAL ADJUSTMENT

For the 3 month period ended _____

Not Applicable

| <u>Particulars</u> | <u>Unit</u> | Month 1 () | Month 2 () | Month 3 () |
|---|-------------|----------------|----------------|----------------|
| Total Supply Volumes Purchased | Mcf | | | |
| Total Cost of Volumes Purchased | \$ | | | |
| ÷ Total Sales (may not be less than 95% of supply volumes) | Mcf | | | |
| = Unit Cost of Gas | \$/Mcf | | | |
| - EGC in effect for month | \$/Mcf | | | |
| = Difference [(over-)/Under-Recovery] | \$/Mcf | | | |
| x Actual sales during month | Mcf | | | |
| = Monthly cost difference | \$ | | | |

| | <u>Unit</u> | <u>Amount</u> |
|--|-------------|---------------|
| Total cost difference (Month 1 + Month 2 + Month 3) | \$ | |
| ÷ Sales for 12 months ended _____ | Mcf | |
| = Actual Adjustment for the Reporting Period (to Schedule IC.) | \$/Mcf | |

SCHEDULE V
BALANCE ADJUSTMENT

For the 3 month period ended _____ Not Applicable

| | <u>Particulars</u> | <u>Unit</u> | <u>Amount</u> |
|-----|--|-------------|---------------|
| (1) | Total Cost Difference used to compute AA of the GCR effective four quarters prior to the effective date of the currently effective GCR | \$ | |
| | Less: Dollar amount resulting from the AA of _____ \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of _____ Mcf during the 12-month period the AA was in effect. | \$ | |
| | Equals: Balance Adjustment for the AA. | \$ | _____ |
| (2) | Total Supplier Refund Adjustment including interest used to compute RA of the GCR effective four quarters prior to the effective date of the currently effective GCR. | | |
| | Less: Dollar amount resulting from the RA of _____ \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of _____ Mcf during the 12-month period the RA was in effect. | \$ | |
| | Equals: Balance Adjustment for the RA | \$ | _____ |
| (3) | Total Balance Adjustment used to compute BA of the GCR effective four quarters prior to the effective date of the currently effective GCR | \$ | |
| | Less: Dollar amount resulting from the BA of _____ \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of _____ Mcf during the 12-month period the BA was in effect. | \$ | |
| | Equals: Balance Adjustment for the BA. | \$ | _____ |
| | Total Balance Adjustment Amount (1) + (2) + (3) | \$ | _____ |
| ÷ | Sales for 12 months ended _____ | Mcf | _____ |
| = | Balance Adjustment for the Reporting Period (to Schedule ID.) | \$/Mcf | _____ |

Estimated Gas Cost Computation per MCF

| | | |
|--|--------------------|---------------|
| | Quarter Beginning: | 4/1/2008 |
| | Quarter Ending: | 6/30/2008 |
| Monthly delivery contracts settle price on 1st day of month prior to beginning of quarter: | | |
| NYMEX settle price on March 1, 2008 for gas sold in April 2008 | \$ | 9.380 |
| NYMEX settle price on March 1, 2008 for gas sold in May 2008 | | 9.430 |
| NYMEX settle price on March 1, 2008 for gas sold in June 2008 | | 9.492 |
| Average Est. NYMEX settle price as of March 1, 2008 | | 9.434 |
| Add: Transportation charge per MCF | | 2.000 |
| Estimated gas cost computation per MCF | | <u>11.434</u> |